

**STATE RISK MANAGEMENT WORKERS COMPENSATION FUND**  
**INVESTMENT PERFORMANCE REPORT AS OF JUNE 30, 2006**

	June-06					March-06				December-05				September-05				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Actual	Quarter	Month	Market Value	Allocation	Actual	Quarter	Market Value	Allocation	Actual	Quarter	Market Value	Allocation	Actual	Quarter	Net	Net	Ended	Ended
		Policy		Net ROR	Net ROR				Net ROR				Net ROR				Net ROR			6/30/2006	6/30/2006
<b>LARGE CAP DOMESTIC EQUITY</b>																					
<i>Structured Growth</i>																					
Los Angeles Capital	146,766	3.9%	4.2%	-2.57%	0.29%	158,894	4.2%	4.2%	4.95%	127,966	3.4%	4.2%	3.06%	126,685	4.3%	4.2%	5.45%	11.12%	7.56%	N/A	N/A
<b>Total Structured Growth</b>	<b>146,766</b>	<b>3.9%</b>	<b>4.2%</b>	<b>-2.57%</b>	<b>0.29%</b>	<b>158,894</b>	<b>4.2%</b>	<b>4.2%</b>	<b>4.95%</b>	<b>127,966</b>	<b>3.4%</b>	<b>4.2%</b>	<b>3.06%</b>	<b>126,685</b>	<b>4.3%</b>	<b>4.2%</b>	<b>5.45%</b>	<b>11.12%</b>	<b>7.56%</b>	<b>N/A</b>	<b>N/A</b>
Russell 1000 Growth				-3.90%	-0.39%				3.09%				2.98%				4.01%	6.12%	1.68%	N/A	N/A
<i>Structured Value</i>																					
<b>LSV</b>	<b>156,615</b>	<b>4.2%</b>	<b>4.2%</b>	<b>1.25%</b>	<b>1.12%</b>	<b>164,520</b>	<b>4.3%</b>	<b>4.2%</b>	<b>6.54%</b>	<b>123,957</b>	<b>3.3%</b>	<b>4.2%</b>	<b>1.52%</b>	<b>127,560</b>	<b>4.3%</b>	<b>4.2%</b>	<b>5.06%</b>	<b>15.05%</b>	<b>18.35%</b>	<b>N/A</b>	<b>N/A</b>
Russell 1000 Value				0.59%	0.64%				5.93%				1.27%				3.88%	12.10%	14.06%	N/A	N/A
<i>Russell 1000 Enhanced Index</i>																					
<b>LA Capital</b>	<b>286,783</b>	<b>7.6%</b>	<b>8.3%</b>	<b>-2.36%</b>	<b>0.55%</b>	<b>294,863</b>	<b>7.7%</b>	<b>8.3%</b>	<b>4.96%</b>	<b>254,202</b>	<b>6.8%</b>	<b>8.3%</b>	<b>2.29%</b>	<b>253,021</b>	<b>8.6%</b>	<b>8.3%</b>	<b>6.45%</b>	<b>11.58%</b>	<b>7.93%</b>	<b>N/A</b>	<b>N/A</b>
Russell 1000				-1.66%	0.13%				4.49%				2.12%				3.95%	9.08%	7.92%	N/A	N/A
<i>S&amp;P 500 Enhanced Index</i>																					
<b>Westridge</b>	<b>337,351</b>	<b>9.0%</b>	<b>8.3%</b>	<b>-1.40%</b>	<b>0.15%</b>	<b>343,455</b>	<b>9.0%</b>	<b>8.3%</b>	<b>4.26%</b>	<b>264,419</b>	<b>7.1%</b>	<b>8.3%</b>	<b>2.10%</b>	<b>244,980</b>	<b>8.3%</b>	<b>8.3%</b>	<b>3.64%</b>	<b>8.77%</b>	<b>6.58%</b>	<b>N/A</b>	<b>N/A</b>
S&P 500				-1.44%	0.14%				4.21%				2.09%				3.60%	8.63%	6.32%	N/A	N/A
<i>Index</i>																					
State Street	104,331			-0.58%	1.06%	105,327			4.19%	81,140			2.07%	81,159			3.58%	9.51%	6.27%	N/A	N/A
<b>Total Index</b>	<b>104,331</b>	<b>2.8%</b>	<b>2.8%</b>	<b>-0.58%</b>	<b>1.06%</b>	<b>105,327</b>	<b>2.8%</b>	<b>2.8%</b>	<b>4.19%</b>	<b>81,140</b>	<b>2.2%</b>	<b>2.8%</b>	<b>2.07%</b>	<b>81,159</b>	<b>2.8%</b>	<b>2.8%</b>	<b>3.58%</b>	<b>9.51%</b>	<b>6.27%</b>	<b>N/A</b>	<b>N/A</b>
S&P 500				-1.44%	0.14%				4.21%				2.09%				3.60%	8.63%	6.32%	N/A	N/A
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>1,031,847</b>	<b>27.4%</b>	<b>27.8%</b>	<b>-1.39%</b>	<b>0.51%</b>	<b>1,067,058</b>	<b>28.0%</b>	<b>27.8%</b>	<b>4.88%</b>	<b>851,683</b>	<b>22.8%</b>	<b>27.8%</b>	<b>2.20%</b>	<b>833,406</b>	<b>28.2%</b>	<b>27.8%</b>	<b>4.97%</b>	<b>10.95%</b>	<b>8.89%</b>	<b>N/A</b>	<b>N/A</b>
S&P 500				-1.44%	0.14%				4.21%				2.09%				3.60%	8.63%	6.32%	N/A	N/A
<b>SMALL CAP DOMESTIC EQUITY</b>																					
<i>Manager-of-Managers</i>																					
<b>SEI</b>	<b>345,076</b>	<b>9.2%</b>	<b>9.3%</b>	<b>-5.84%</b>	<b>-0.45%</b>	<b>366,026</b>	<b>9.6%</b>	<b>9.3%</b>	<b>13.24%</b>	<b>279,552</b>	<b>7.5%</b>	<b>9.3%</b>	<b>0.98%</b>	<b>276,546</b>	<b>9.4%</b>	<b>9.3%</b>	<b>5.49%</b>	<b>13.58%</b>	<b>9.32%</b>	<b>N/A</b>	<b>N/A</b>
Russell 2000 + 200bp				-4.54%	0.81%				14.49%				1.64%				5.21%	16.86%	11.64%	N/A	N/A
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>345,076</b>	<b>9.2%</b>	<b>9.3%</b>	<b>-5.84%</b>	<b>-0.45%</b>	<b>366,026</b>	<b>9.6%</b>	<b>9.3%</b>	<b>13.24%</b>	<b>279,552</b>	<b>7.5%</b>	<b>9.3%</b>	<b>0.98%</b>	<b>276,546</b>	<b>9.4%</b>	<b>9.3%</b>	<b>5.49%</b>	<b>13.58%</b>	<b>9.32%</b>	<b>N/A</b>	<b>N/A</b>
Russell 2000				-5.02%	0.64%				13.94%				1.13%				4.69%	14.58%	9.45%	N/A	N/A
<b>DOMESTIC FIXED INCOME</b>																					
<i>Core Bond</i>																					
<b>Western Asset</b>	<b>789,267</b>	<b>20.9%</b>	<b>20.0%</b>	<b>-0.34%</b>	<b>0.23%</b>	<b>782,119</b>	<b>20.5%</b>	<b>20.0%</b>	<b>-0.44%</b>	<b>655,923</b>	<b>17.6%</b>	<b>20.0%</b>	<b>0.28%</b>	<b>601,395</b>	<b>20.4%</b>	<b>20.0%</b>	<b>-0.41%</b>	<b>-0.90%</b>	<b>7.14%</b>	<b>N/A</b>	<b>N/A</b>
Lehman Aggregate				-0.08%	0.21%				-0.65%				0.59%				-0.67%	-0.81%	6.80%	N/A	N/A
<i>Index</i>																					
<b>Bank of ND</b>	<b>712,062</b>	<b>18.9%</b>	<b>20.0%</b>	<b>-0.03%</b>	<b>0.24%</b>	<b>700,089</b>	<b>18.4%</b>	<b>20.0%</b>	<b>-0.95%</b>	<b>590,143</b>	<b>15.8%</b>	<b>20.0%</b>	<b>0.56%</b>	<b>556,047</b>	<b>18.8%</b>	<b>20.0%</b>	<b>-0.72%</b>	<b>-1.14%</b>	<b>4.59%</b>	<b>N/A</b>	<b>N/A</b>
Lehman Gov/Credit (1)				-0.14%	0.23%				-1.01%				0.60%				-0.96%	-1.52%	4.80%	1.04%	4.78%
<i>BBB Average Quality</i>																					
<b>Wells Capital (formerly Strong)</b>	<b>787,958</b>	<b>20.9%</b>	<b>20.0%</b>	<b>-0.63%</b>	<b>0.10%</b>	<b>779,500</b>	<b>20.5%</b>	<b>20.0%</b>	<b>-1.02%</b>	<b>654,558</b>	<b>17.5%</b>	<b>20.0%</b>	<b>0.58%</b>	<b>594,567</b>	<b>20.2%</b>	<b>20.0%</b>	<b>-1.05%</b>	<b>-2.11%</b>	<b>9.14%</b>	<b>N/A</b>	<b>N/A</b>
Lehman US Credit BAA				-0.60%	0.16%				-1.20%				0.39%				-0.97%	-2.37%	8.60%	N/A	N/A
<b>TOTAL DOMESTIC FIXED INCOME</b>	<b>2,289,287</b>	<b>60.8%</b>	<b>60.0%</b>	<b>-0.33%</b>	<b>0.20%</b>	<b>2,261,707</b>	<b>59.4%</b>	<b>60.0%</b>	<b>-0.79%</b>	<b>1,900,625</b>	<b>50.9%</b>	<b>60.0%</b>	<b>0.46%</b>	<b>1,752,009</b>	<b>59.4%</b>	<b>60.0%</b>	<b>-0.73%</b>	<b>-1.39%</b>	<b>6.14%</b>	<b>N/A</b>	<b>N/A</b>
Lehman Aggregate (2)				-0.08%	0.21%				-0.65%				0.59%				-0.67%	-0.81%	7.26%	N/A	N/A
<b>CASH EQUIVALENTS</b>																					
<b>Bank of ND</b>	<b>101,175</b>	<b>2.7%</b>	<b>3.0%</b>	<b>1.26%</b>	<b>0.42%</b>	<b>114,333</b>	<b>3.0%</b>	<b>3.0%</b>	<b>1.17%</b>	<b>700,490</b>	<b>18.8%</b>	<b>3.0%</b>	<b>1.07%</b>	<b>88,464</b>	<b>3.0%</b>	<b>3.0%</b>	<b>0.93%</b>	<b>4.50%</b>	<b>2.46%</b>	<b>N/A</b>	<b>N/A</b>
90 Day T-Bill				1.16%	0.38%				1.03%				0.92%				0.83%	4.00%	2.15%	N/A	N/A
<b>TOTAL RISK MANAGEMENT FUND</b>	<b>3,767,385</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-1.00%</b>	<b>0.24%</b>	<b>3,809,125</b>	<b>100.0%</b>	<b>100.0%</b>	<b>1.79%</b>	<b>3,732,350</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.95%</b>	<b>2,950,425</b>	<b>100.0%</b>	<b>100.0%</b>	<b>1.49%</b>	<b>3.25%</b>	<b>5.88%</b>	<b>N/A</b>	<b>N/A</b>
<b>POLICY TARGET BENCHMARK</b>				<b>-0.87%</b>	<b>0.24%</b>				<b>2.06%</b>				<b>1.09%</b>				<b>1.08%</b>	<b>3.37%</b>	<b>6.01%</b>	<b>N/A</b>	<b>N/A</b>

**NOTE: Monthly returns and market values are preliminary and subject to change.**

(1) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.

(2) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.